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PTER, TSPA, TSPL, IN
SUBJECT: ASSISTANT SECRETARY BOUCHER PRESSES FOR PROGRESS
ON BILATERAL ISSUES WITH FOREIGN SECRETARY, JOINT SECRETARY

Classified By: Ambassador David Mulford for Reasons 1.4 (B and D)

¶1. (C) Summary: In separate March 4 meetings, Assistant Secretary Richard Boucher reviewed the bilateral relationship

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with Foreign Secretary Shivshankar Menon and Joint Secretary Gaitri Kumar. The Ambassador joined in the Menon meeting. They agreed on a renewed effort to achieve progress on several issues with promise for strengthening the foundations of the relationship. They identified the following issues which can be advanced in the coming months: Defense Agreements, Fulbright Agreement, cooperation in education and agriculture, Technology Safeguards Agreement, Agriculture Knowledge Initiative and visas. They previewed the proposed visit by External Affairs Minister Pranab Mukherjee to Washington later this month, agreeing to work together to develop a good agenda. Joint Secretary Gaitri Kumar promised a prompt response to the proposed May 5 date for the next round of the counterterrorism dialogue. Assistant Secretary Boucher proposed establishing a structured bilateral dialogue to discuss regional policies in Africa, East Asia and the Gulf. End Summary.

Bilateral Relationship: Nuts and Bolts

¶2. (C) In a March 4 meeting, Foreign Secretary Shivshankar Menon and Assistant Secretary Richard Boucher shared an optimistic assessment of the relationship. During a separate March 4 meeting, Joint Secretary Gaitri Kumar gave an upbeat read-out of the recent visits to India by Secretary of Defense Gates and Under Secretary of Commerce Mancuso. She noted that the Secretary of Defense's visit, in particular, highlighted the breadth and depth of the United States-India bilateral relationship. She underscored the "excellent" and intense discussions that the two sides had on Afghanistan and Pakistan during Secretary Gates' visit.

¶3. (C) Drawing attention to the limited time remaining for the current Indian and United States administrations, Boucher proposed that the two sides focus in the coming months on accelerating work to achieve progress on issues that will strengthen the foundations for the bilateral relationship. Menon and Kumar agreed that the U.S. and India must "lock in" the various pending agreements and activities currently under discussion "irrespective of elections." In this context, Boucher raised the following issues with Menon and Kumar:

-- Defense Agreements (Logistics Support Agreement, End Use Monitoring Agreement, Communication Interoperability and Secure Memorandum of Agreement): Menon said that the End-Use monitoring and Communications agreements are "very close," but Defense Minister A.K. Antony has asked for one more inter-ministerial consultation on the Logistics Support Agreement. Kumar noted that the Indian Ministries of Defense and External Affairs have instructions from the "highest levels to do what needs to be done" to finalize the agreements. She added that the Indian Government is acutely aware that time is running out. She explained that the outstanding question was merely one of timing where the Indian side needs to find the best way of dealing with the domestic political implications of entering into these agreements. (Note: National Security Advisor Narayanan had previously told Defense Secretary Gates that the Prime Minister had charged him with concluding all three agreements quickly. Narayanan had said that a short intense effort could close out all three agreements. End Note.)

-- Fulbright Agreement: Menon and Kumar confirmed that the holdout Indian Ministries had cleared the agreement and the matter was on its way to the Cabinet for approval. (Note: PA Min/Couns had earlier been told by Indian officials that the agreement had been cleared by all the Indian government stakeholders. End Note.) Boucher suggested that the two sides consider signing the agreement during External Affairs Minister Pranab Mukherjee's proposed Washington visit later this month.

-- Education: Kumar was enthusiastic about the idea of the United States supporting an American Center and a library at Osmania University in Hyderabad. She suggested that private sector funding for establishing chairs at Indian universities be pursued through the CEO Forum, which is in the process of

drafting a paper on education. She believes that Planning Commission Deputy Chairman Montek Singh Ahluwalia is the key person to shepherd education issues through the CEO Forum. Boucher urged liberalization of the Indian education sector. He noted that such reform would result in an explosion of private sector involvement in the sector.

-- Fulbright Visas: Boucher and Kumar expressed satisfaction that a mechanism had been found to expedite issuance of Indian visas to Fulbright scholars. (Note: the new procedures shift the responsibility of providing clearance for Fulbright scholar visas from the Ministry of Home Affairs in Delhi to the Indian Embassy in Washington on the grounds that Indian consular officers in the United States are in a better position to evaluate the background, interests and affiliations of the applicants. The new system will be tested starting April, when we expect a large number of new Fulbright visa applicants. End Note.)

-- Mantis Reciprocity: Boucher expressed grave concern at the newly-established Indian visa requirements for U.S. visitors traveling to India for science and technology-related purposes. Conceding that the U.S. Visas Mantis requirements for visitors in the science and technology fields are onerous, he noted that the U.S. has worked assiduously during the last year to expedite the processing. While we were working hard to move our visa regime in the right direction, the India government is moving in the wrong direction, he cautioned. Kumar acknowledged that the Indian visa requirements were imposed on the basis of the reciprocity principle. She did not offer a way out, only suggesting that the two sides work within the reciprocity constraints to smooth the processing of visas.

-- Approval of Embassy Positions: Boucher drew attention to the Secretary's Global Repositioning Initiative from which the Mission in India has gained more than possibly any other U.S. Mission in the world. However, he noted, the restructuring is not going smoothly because of the two-to-four months that the Indian Government takes in approving new positions. This has caused uncertainty and

occasional financial hardship for new officers assigned to India. Kumar responded that she has put in place a system to expedite the approval process and alert her when delays are occurring. She asked that action offices in both governments remain closely in touch with each other to ensure prompt processing of requests for new positions. Pol/MinCouns noted that we currently have one pending approval -- the incoming Consul General for Hyderabad -- but cautioned that the new system will be put to the test when our requests start increasing as we approach the summer rotation season.

-- Commercial Space Launch Agreement: Handing Kumar a nonpaper, Boucher offered a revised U.S. proposal in which the U.S. would agree to separation of the Technology Safeguards Agreement and the Space Launch Agreement. He noted that the U.S. would be prepared to proceed with the Technology Safeguards Agreement provided we received a commitment, preferably in writing, from the Indian Government that it was prepared to engage in regular consultations on commercial satellite launch and services in a specified forum. The U.S. would begin licensing civilian, non-commercial satellite launches, which could be expanded to other areas if there is progress on the Space Launch Agreement. Kumar agreed to discuss the new U.S. concept paper with Indian stakeholders and respond after they have had an opportunity to study it. Menon also pledged to involve the Indian Space Research Organization, which has the lead on this issue and will be our key interlocutor.

-- Agriculture: Referring to a recent letter from Under Secretary Burns to Foreign Secretary Menon on enhanced

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cooperation in agriculture, Kumar noted that the Indian side has not yet completed its inter-Ministerial deliberations. With regard to the U.S. proposal of drawing in the private sector, she suggested that this would best be accomplished by bringing in the Federation of Indian Chambers of Commerce and Industry and the U.S.-India Business Council, which would generate participation by private companies. Boucher reinforced the U.S. desire to expand the dialogue while pointing out that funds were running out.

Mukherjee Visit: Strong Agenda

14. (SBU) Kumar outlined the Indian Government's thinking on the proposed visit of External Affairs Minister Pranab Mukherjee to Washington beginning on March 24. Aside from developing a strong agenda for Mukherjee's meetings with the Secretary, Kumar said they are seeking meetings with Senator

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Biden and Representative Berman as the heads of the foreign relations committees in the two houses. In addition, the Indians will plan a speech/public event at a nonpartisan think-tank and a public outreach event to recognize Indian-American groups which supported the U.S.-India civil nuclear agreement. She singled out two items that the Indians would like on the agenda for visit: a U.S. response on the Indian nonpaper on science and technology cooperation; and movement on Social Security totalization. Kumar noted that Foreign Secretary Menon will accompany Mukherjee in Washington.

15. (SBU) Boucher welcomed Mukherjee's Washington visit and suggested to Kumar that the narrative of the visit should be two-fold: the two countries are committed to finalizing the civil nuclear agreement; and, separate from the civil nuclear agreement, the two countries will strengthen the numerous other areas of cooperation that make this a strong and growing bilateral relationship.

16. (SBU) Menon confirmed that Mukherjee would go to Washington, and asked whether Mukherjee should go the Hill. Boucher advised that Mukherjee would have a good opportunity to expose key members of the U.S. Congress to the Indian government's commitment to the partnership with the U.S. and

the civil nuclear initiative, particularly with new leadership in the House Foreign Relations Committee. However, he cautioned, Mukherjee will be in Washington during the Easter recess, which might make meetings difficult to arrange.

Structured Dialogue: Africa, Gulf, East Asia

¶ 17. (C) While acknowledging the dramatic growth of the bilateral relationship in recent years, Boucher noted that one aspect that remains missing from the partnership is a systematic, regular dialogue between the two countries on parts of the world outside the South Asia region. Handing Kumar a nonpaper, he proposed that the two sides establish a structured discussion about Africa, the Gulf and East Asia. Kumar was receptive to the proposal. She noted that while we have maintained a bilateral strategic dialogue at the Under Secretary-Foreign Secretary level, we should consider

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expanding the areas under discussion to include regions identified by Boucher. She said the Indian side will respond after studying the ideas contained in the U.S. paper.

Counterterrorism Dialogue: Going Well

¶ 18. (SBU) Noting that he had talked to Coordinator for Counterterrorism Dell Dailey before embarking on this visit, Boucher expressed U.S. satisfaction at the bilateral dialogue on counterterrorism. He said U.S. participants in the dialogue looked forward to working with Additional Secretary Katju, who recently replaced K.C. Singh as head of the Political and International Organization division at the Ministry of External Affairs. He reiterated the U.S. proposal that the next round of bilateral discussions on counterterrorism be held on May 5. Kumar responded that the Indian side is eager to schedule the discussions during this timeframe but is checking to see if there might be a conflict with a Non-Aligned Movement meeting on the same date. She promised to get back to us with a firm answer at the earliest.

Trafficking in Persons: Show Progress

¶ 19. (SBU) Boucher related that Secretary Rice has followed the issue of trafficking in persons closely, and much of the discussion between our two sides has focused attention on bonded labor. Noting that with each review, we are "at risk of disaster," he urged Menon to show progress. Menon responded that "we are working on it intensively."

McDermott: Please Keep at Secretary Level

¶ 10. (SBU) Boucher and Ambassador Mulford urged Menon to continue to give high level attention to the McDermott dispute so it can be resolved at the earliest.

¶ 11. (U) This message has been cleared by Assistant Secretary Boucher.
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